



STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS
California's Investment and Financing Authority

NEWS RELEASE

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Arnold Schwarzenegger, Governor

William P. Wood, Commissioner

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California Department of Corporations Stops Unlicensed Rancho Cordova Companies From Offering and Selling Fraudulent Securities

SACRAMENTO --- The California Department of Corporations today announced that it has issued a desist and refrain order against Positive Return, Inc., Austin Greiner, Sr., Sumil Wadhwa, Olive Tree Financial, Inc. and Second Start, Inc., of Rancho Cordova to refrain from conducting business as investment advisers and stop selling unregistered securities in California. Austin Greiner, Sr., controlled the three companies above.

Greiner represented to the public that the companies he controlled were professional financial management organizations that "markets and sells a variety of financial products and services." Greiner also arranged a variety of modes for its employees and agents to solicit clients via radio advertisements, seminars, electronic mail, and toll-free telephone numbers.

The offers or sales of securities to the public by the companies included false statements, such as the ability to generate monetary benefit, including a 50 percent reduction in the principle amount of their credit card debts, and that clients' funds invested by Electronic Funds Transfer would be properly arranged and safe. In addition, the companies failed to mention to the public that they were not licensed in any capacity to offer investment advice in California, and were not qualified to offer or sell securities in the state. Senior Corporations Counsel Joan Kerst handled the enforcement action.

The number of clients the companies acquired reached at least 4,000, of which about 1,400 reside in California. All of companies' documents were only written in English, even though a significant number of their clients did not speak or read English. One of the documents clients were required to sign was a limited power of attorney, which enabled the companies to perform services, including a "complete financial analysis." This financial analysis included investment and financial planning, such as advice to clients about borrowing or liquidating investments in their 401K funds. Clients were charged an initial administrative fee or "set up retainer" not less than \$500. The securities transactions resulted in the companies receiving approximately \$2 million.

The Department of Corporations is California's Investment and Financing Authority, reporting to the Business, Transportation and Housing Agency and the Governor. The Department is responsible for the regulation, enforcement and licensing of securities, franchises, off-exchange commodities, investment and financial services, independent escrows, consumer and commercial finance lending and residential mortgage lending. For further information or to obtain a complaint form, see the Department's Web site at www.corp.ca.gov or call 1-866-ASK-CORP (1-866-275-2677).